

A ACUMEN MARKETING SDN BHD & ANOR

v.

PUTRAJAYA HOLDINGS SDN BHD & ORS

B HIGH COURT MALAYA, KUALA LUMPUR
TENGKU MAIMUN J
[SUIT NO: D5(IP)-22-404-2005]
25 MAY 2010

C **INTELLECTUAL PROPERTY:** *Registered design - Infringement - Ownership of industrial design - Whether there was infringement of industrial design - Damages - Whether intellectual property rights vested pursuant to contract entered between parties - Industrial Designs Act 1996, s. 10(2)*

D **INTELLECTUAL PROPERTY:** *Registered design - Ownership of industrial design - Application for registration - Whether registration of industrial design valid - Whether registration of industrial design came into force on filing date - Whether Registrar had the power to backdate the certificate of registration - Whether registration of industrial design could operate retrospectively - Whether registration to be set aside*

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COPYRIGHT: *Infringement - Allegation of - Whether proved - Whether plaintiffs had discharged burden to prove copying on similarities between their lanterns and those installed by defendants - Whether lantern eligible for copyright protection if reproduced more than 50 times - Copyright Act 1987, s. 7(6)*

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CONTRACT: *Intention - Terms of contract - Intellectual property rights - Whether parties had intention to vest intellectual property rights pursuant to contract - Whether extrinsic evidence could challenge terms of contract - Whether intellectual property rights vested pursuant to contract*

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Putrajaya Corporation (PJC) in this case was the local authority incorporated to develop, administer and manage the Federal Territory of Putrajaya (Putrajaya). The first defendant, Putrajaya Holdings Sdn Bhd (PJH) was the master developer of Putrajaya. PJH was entrusted with the task of coming up with a concept and design for Putrajaya whether architectural or otherwise which would meet the guidelines set by PJC. PJH had awarded the architectural consultancy services for road landscape works at Precinct 2, Putrajaya to Sabit Acla Sdn. Bhd. (Sabit Acla) which had to come up with the design of street lights. Sabit Acla had

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developed and presented various options of the street lighting concept which was eventually not accepted by PJH. Sometime in year 2000, the first plaintiff (Acumen) came to know of the impasse and had organized a working design team comprising the employees of Acumen and Advance Industries Sdn Bhd, Acumen's related company. The team developed a design concept coined as "Nyonya and Baba" designed concept for the street lighting poles and its accessories. Acumen in collaboration with Sabit Acla presented the designs known as the "Tepak Sireh", "Keronsang" and the "Hairpin" designs (N&B streetlamps) to PJC and PJH and the designs were approved by PJH and PJC. Although Acumen collaborated with Sabit Acla for the presentation, Acumen came up with the designs as an independent entity. The second plaintiff (DW Windsor), designed and manufactured the Diamond Optic reflector system and the copyright of the Diamond Optic reflector system belonged to DW Windsor. Acumen was the sole agent appointed by DW Windsor to supply the Diamond Optic lanterns (incorporated the reflector system) to be fitted to the streetlights for installation in Malaysia. The proposed technical specifications for the N&B streetlamps presented by Acumen included DW Windsor's patented Diamond Optic and its proprietary lanterns. Vide Malaysian industrial design registration No. MY 01-00304, the industrial design of the N&B streetlamps (for the poles as well as the lantern) was registered in the name of Advance Industries on 14 June 2001 and *vide* a Deed of Assignment dated 18 June 2002 the ownership of the industrial design of the N&B streetlamps was transferred to Acumen. Acumen however only applied to register the assignment in June 2004. The application by Acumen for the registration of the assignment was received by the Intellectual Property Corporation of Malaysia on 10 June 2004 and the assignment was recorded by the Registrar of the Industrial design on 14 June 2004 but the date for "Tarikh pindah milik" was stated as 18 June 2001 by the Registrar. Acumen was then awarded a direct contract for the project of installing the street lighting poles and its accessories at Road 6 and Precinct 2 West, Precinct 2 Putrajaya. A Bill of Quantities dated 24 August and a letter of award dated 2 October 2001 were issued by PJH to Acumen. Acumen subsequently executed a formal contract dated 26 August 2002 with PJH for the said project. The infringing acts the defendants complained of consist of the installation of mock up streetlamps in March 2002 in the

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- A compound of PJH modelled on the industrial design in the N&B streetlamps and the installation of streetlamps substantially similar to the N&B streetlamps at Precinct 2 East, Precincts 3, 4, 5, 6 and 18 Putrajaya without the prior consent or permission of the plaintiffs. There was no dispute that the mock up was put up at the instructions of PJH. The third, fourth, fifth and the sixth defendants were the contractors/subcontractors responsible for the installation of the alleged infringing streetlamps. The defence of PJH was that pursuant to the express term of the contract entered into between Acumen and PJH, all intellectual property rights of the drawings, design and products used in the project including the design of the N&B streetlamps belonged absolutely to PJH. PJH was therefore counterclaiming against Acumen for *inter alia*, a declaration that Acumen held the proprietary rights over the industrial designs on trust for PJH and for an order that Acumen delivered the said rights by re-assigning all the rights in the aforesaid industrial designs to PJH. The defence of the other defendants were similarly premised on the ground that PJH owned the industrial design of the N&B streetlamps. The plaintiffs' claims against the defendants were for damages for infringement of copyright in the "Diamond Optic" reflector system and for infringement of industrial design of the N&B streetlamps. The issue for determination would be whether the intellectual property rights had been vested in PJH pursuant to the contract entered between Acumen and PJH.

F Held:

- (1) The intention of the parties had to be gathered from the written instrument itself. Clause 33.2 of the contract read together with item 2.0 of the Bill of Quantities provided that the drawings or design prepared or supplied by Acumen in connection with the works shall be the property of PJH. Clause 33 was unambiguous and had intended to give the intellectual property rights in the design of the N&B streetlamps prepared by Acumen for the supply and installation of the streetlamps in Putrajaya to PJH. Given cl. 33 and item 2 the plain, natural and ordinary meaning, the drawings or design prepared by Acumen for the N&B streetlamps shall be the property of PJH. Acumen certainly knew the fact that it was important for PJH to own the intellectual property rights. (paras 27-28)

- (2) Acumen was given direct contract in return for the design rights. Given the express provisions of the contract, extrinsic evidence to challenge the terms of the contract was excluded under ss. 91 and 92 of the Evidence Act. Acumen had designed the concept specifically for PJH, for the purposes which Sabit Acla was earlier on commissioned. Pursuant to s. 10(2) of the Industrial Designs Act 1996, PJH was the owner of the industrial design of the N&B streetlamps. (paras 30 & 35) A B
- (3) The registration of the Deed of Assignment was filed by Acumen in June 2004 but the registration was backdated by the Registrar of the Industrial Designs to 18 June 2001. This ran foul of s. 30 of the Industrial Designs Act 1996 which did not provide for the registration to operate retrospectively. As such, the registration of the assignment was liable to be set aside. (*Elster Metering Ltd & Anor v. Premier Amalgamated Sdn Bhd; Honda Giken Kogyo Kabushiki Kaisha v. Allied Pacific Motor (M) Sdn Bhd & Anor.* (paras 39) C D
- (4) The plaintiffs had not discharged the burden to prove copying as no evidence was led on the similarities between DW Windsor's Diamond Optic reflector system and the lanterns installed by the defendants. Acumen as an agent of DW Windsor had handed over the rights of the lanterns by agreeing to enter into a contract with PJH. In the circumstances, even if the lanterns exhibited at Putrajaya featured DW Windsor's Diamond Optic reflector system (of which there was no such evidence), it cannot be said that the lanterns were exhibited without the consent of DW Windsor. (paras 40 & 43) E F G
- (5) The lantern was no longer eligible for copyright protection as it had been reproduced more than 50 times. There was evidence that the Diamond Optic reflector system has been made available to the public in England since 1991 and certainly Acumen had reproduced the Diamond Optic reflector system at Precinct 2 West and Road 6 Putrajaya (s. 7(6) of the Copyright Act 1987). (paras 44 & 46) H

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- A (6) The burden was on the plaintiffs to prove their claim. Since the defendants were not withholding or suppressing evidence, the failure by the defendants to call a material witness would not raise an adverse presumption under s. 114(g) of the Evidence Act. (para 47)

B *[The plaintiffs' claim against all the defendants was dismissed with costs. PjH's counterclaim was allowed with costs and with a consequential order that Acumen's Industrial Design Registration MY 01-00304 be declared null and void, unenforceable and cancelled.]*

C **Case(s) referred to:**
Creative Technology Ltd v. Aztech Systems Pte Ltd [1997] 1 SLR 621 (**refd**)
Goh Gok Hoon v. Abdul Hamid & Anor [1966] 1 LNS 52 HC (**refd**)
Elster Metering Ltd & Anor v. Premier Amalgamated Sdn Bhd [2010] 2 CLJ 149 HC (**refd**)

D *Faber Merlin (M) Sdn Bhd & Ors v. Lye Thai Sang & Anor* [1985] 1 LNS 44 FC (**refd**)
Honda Giken Kogyo Kabushiki Kaisha v. Allied Pacific Motor (M) Sdn Bhd & Anor [2005] 6 CLJ 174 HC (**refd**)
Munusamy Vengadasalam v. PP [1987] 1 CLJ 250; [1987] CLJ (Rep) 221 SC (**refd**)

E *Selvadurai v. Chinniah* [1939] 1 LNS 107 HC (**refd**)

Legislation referred to:

Copyright Act 1987, ss. 3, 7(6), 36

Evidence Act 1950, ss. 91, 92, 114(g)

F Industrial Designs Act 1996, ss. 10(2), 22(3), 25(1), 30

For the plaintiffs - Cheow Wee (Yap Keng Siong & Soh Gee Kian with him); M/s Cheow Wee

For the 1st defendant - Shahul Hameed Amirudin (Sonia Anirudhan with him); M/s Zul Rafique & Partners

G *For the 2nd defendant - Cindy Goh Joo Seong; M/s Cheang & Ariff*

For the 3rd & 5th defendants - Siew Chun Tut; M/s Abdullah, Ooi & Chan

For the 4th defendant - Satish V Nair; M/s Satish, Alli & Assocs

For the 6th defendant - TA Sivam; M/s T Ananthasivam

H *Reported by Kumitha Abdul Majid*

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JUDGMENT

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Tengku Maimun J:

[1] The plaintiffs' claim against the defendants is for damages for infringement of copyright in the "Diamond Optic" reflector system and for infringement of industrial design of the "Nyonya & Baba" streetlamps. From the evidence led, the court found the following facts forming the background to this dispute.

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The Facts

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[2] Putrajaya Corporation (PJC) is the local authority incorporated to develop, administer and manage the Federal Territory of Putrajaya (Putrajaya). The first defendant, Putrajaya Holdings Sdn Bhd (PJH) is the master developer of Putrajaya. PJH was entrusted with the task of coming up with a concept and design for Putrajaya whether architectural or otherwise which meets the guidelines set by PJC. Towards that end, PJH is responsible for selecting the contractor for the projects in Putrajaya. PJH had awarded the architectural consultancy services for road landscape works at Precinct 2, Putrajaya to a company known as Sabit Acla Sdn Bhd.

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[3] Sabit Acla was required to come up with the design for amongst others, the street lights. Sabit Acla had developed and presented on various options of the street lighting concept to PJH and PJC but the concept was not accepted. Sometime in the year 2000, the first plaintiff (Acumen) came to know of the impasse. Acumen then organized a working design team comprising the officers/employees of Acumen and Advance Industries Sdn Bhd, Acumen's related company. The team developed a design concept coined as "Nyonya and Baba" design concept for the street lighting poles and its accessories. The primary person who prepared the design was one Mr. Alvin Lee (PW3) the Research & Development Assistant Manager with Advance Industries.

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[4] Acumen in collaboration with Sabit Acla presented the designs known as the "Tepak Sireh", "Keronsang" and the "Hairpin" designs (N&B streetlamps) to PJC and PJH. Although Acumen collaborated with Sabit Acla for the presentation, Acumen came up with the designs as an independent entity. The fact that Acumen designed the concept as a separate entity was not known

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A to PJH until they were subsequently informed of the same by Sabit Acla. The N&B streetlamp designs were approved by PJH and PJC.

B [5] The second plaintiff (DW Windsor), a company incorporated in England was in the business of designing and manufacturing luminaries, lanterns and related components such as columns and brackets. One of the products of DW Windsor is the Diamond Optic reflector system created by one of its employees. Copyright of the Diamond Optic reflector system belongs to DW Windsor.
C Acumen is the sole agent appointed by DW Windsor to supply the Diamond Optic lanterns (incorporating the reflector system) to be fitted to the streetlights for installation in Malaysia. The proposed technical specifications for the N&B streetlamps presented by Acumen included DW Windsor's patented Diamond
D Optic luminaire and its proprietary lanterns, but insofar as PJH is concerned, they were not aware of DW Windsor's connection in the N&B streetlamps.

E [6] *Vide* Malaysian industrial design registration No. MY 01-00304, the industrial design of the N&B streetlamps (for the poles as well as the lantern) was registered in the name of Advance Industries on 14 June 2001 (exh. P2). *Vide* a Deed of Assignment dated 18 June 2002 the ownership of the industrial design of the N&B streetlamps was transferred to Acumen. Acumen however
F only applied to register the assignment in June 2004. The application by Acumen for the registration of the assignment was received by the Intellectual Property Corporation of Malaysia on 10 June 2004 and the assignment was recorded by the Registrar of the Industrial design on 14 June 2004 (exh. P3). The date for
G "Tarikh pindah milik" of the industrial design was however stated as 18 June 2001 by the Registrar.

H [7] Although Acumen initially collaborated with Sabit Acla in proposing the N&B streetlamps to PJH, Acumen was awarded a direct contract for the project of installing the street lighting poles and its accessories at Road 6 and Precinct 2 West, Precinct 2 Putrajaya. A Bill of Quantities dated 24 August 2001 (exh. P17) and a letter of award dated 2 October 2001 were issued by PJH to Acumen. Acumen subsequently executed a formal contract dated 26 August 2002 (exh. D35) with PJH for the said project.
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[8] Item 1.0 of the Bill of Quantities states that “The price and rates filled in the Bill of Quantities shall include the cost of design of the pole as indicated in the Drawings.” Item 2.0 of the Bill of Quantities states that “the design, pattern, concept, specifications and other works in relation to and associated with the streetlighting shall become property of Putrajaya Holdings. We reserve our rights to use, utilize, apply, exploit, implement, execute, carry out etc. the design, pattern, concept, specifications and other works in relation to and associated with the streetlighting for other Projects for the Development of Putrajaya whether or not involving the Contractor. The Contractor shall not make any claims, demands, charges whatsoever against us in the event we exercise the right reserved herein.”

[9] Clause 33 of the Conditions of Contract provides for the patent rights. It states:

33. PATENT RIGHTS ...

33.1 The Contractor shall save harmless and indemnify the Employer from and against all claims and proceedings for or on account of infringement of any copyright, patent rights, design, trademark or name or other protected rights in respect of any plant, machine work, Equipment, materials or goods used for or in connection with the Works or any of them and from and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto. ..

33.2 Any drawings, specifications, quantities, plans, diagrams, sketches, data and other technical information supplied to the Contractor by the Employer or prepared or supplied by the Contractor in connection with the Works together with any and all knowledge of the business and operations of the Employer which the Contractor may acquire, shall be the property of the Employer and shall be considered strictly confidential and shall not be re-used, published or otherwise disclosed in any manner either during the performance of the Contractor’s obligations under the Contract or after completion thereof, except upon the express written approval of the Employer.

[10] The infringing acts of the defendants complained of consist of the installation of mock up streetlamps in March 2002 in the compound of PJH modeled on the industrial design in the N&B streetlamps and the installation of streetlamps substantially similar

A to the N&B streetlamps at Precinct 2 East, Precincts 3, 4, 5, 6 and 18 Putrajaya without the prior consent or permission of the plaintiffs.

B [11] There is no dispute that the mock up was put up at the instructions of PJH. Although there was no conclusive evidence as to the contractor who put up the mock up, the evidence suggests that it was done by the second defendant. The third, fourth, fifth and the sixth defendants are the contractors/subcontractors responsible for the installation of the alleged infringing streetlamps at the Precinct 2 East, Precincts 3, 4, 5, 6 and 18 Putrajaya.

C [12] The defence of PJH is that pursuant to the express term of the contract entered into between Acumen and PJH, all intellectual property rights of the drawings, design and products used in the project including the design of the N&B streetlamps belong absolutely to PJH. PJH is therefore counterclaiming against Acumen for *inter alia*, a declaration that Acumen holds the proprietary rights over the industrial designs on trust for PJH and for an order that Acumen deliver the said rights by re-assigning all the rights in the aforesaid industrial designs to PJH. The defence of the other defendants is similarly premised on the ground that PJH owns the industrial design of the N&B streetlamps.

The Evidence

F [13] The evidence of the plaintiffs' witnesses essentially is that there was never any agreement by Acumen to surrender the intellectual property rights to PJH. PW2, the Consultant for Acumen who was involved in the development and presentation of the N&B design concept gave evidence that "right from the very beginning and throughout the conceptualization, presentation and approval of the said N&B design concept, there was never any question of Acumen giving up any rights over N&B design concept to PJH without any financial consideration for it. If at all, the common understanding between parties was that Acumen was prepared to discuss the same if the price is right. Now, how could PJH possibly demand Acumen hand over our rights to our N&B design concept, when it was never agreed for in the first place."

I [14] PW2 also testified that there were negotiations between Acumen and PJH where PJH was informed that Acumen would only transfer the rights to the industrial design of the N&B streetlamps on the following conditions:

- 1) if Acumen was made the sole and exclusive supplier of streetlight in Precinct 2; and A
- 2) Acumen was invited to tender for streetlighting contracts in Precincts 3, 4, 5, 6 and 18 in Putrajaya and all other streetlighting contracts undertaken by PJH utilizing the N&B streetlamps. B

[15] The negotiations for the transfer of the rights to the industrial design of the N&B streetlamps, according to PW2, were never concluded because PJH never reverted to Acumen. PW2 also testified that one Dato' Hashim Hassan, the former CEO of PJH had agreed there was an infringement by PJH in respect of the mock up streetlamps and that Dato' Hashim Hassan had informed one Encik Norazmi of PJH (DW1) to bring the mock ups down. C

[16] PW6, the Managing Director of DW Windsor gave evidence that based on the records of DW Windsor, Diamond Optic reflector system has been reduced into material form and has been made available to the public in England since October 1991. PW6 further testified that DW Windsor is the patent owner of various application filed in Great Britain, USA, Japan, Canada, European Patent Office and Australia but there is no patent registered on behalf of DW Windsor in respect of the Diamond Optic in Malaysia. PW6 also highlighted the differences between DW Windsor's Diamond Optic lanterns and the lanterns found at Precincts 2 East, Precincts 3, 4, 5, 6 and 18. D

[17] PW8, the director for both Acumen and Advance Industries testified that as Acumen was the company which executed the contract with PJH for the supply and delivery of the street lighting, the ownership of the industrial designs was transferred from Advance Industries to Acumen pursuant to a Deed of Assignment dated 18 June 2002. When asked why the application for the recordal of the assignment was only made in June 2004, his explanation was that they did not know that it was a requirement under the law until they consulted their copyright consultants in the light of this dispute with PJH. PW8 also gave evidence on the losses suffered by Acumen as a result of the alleged infringement by the defendants. E

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A [18] For PJH, the evidence of DW1 is that sometime in June 2001 there were negotiations between PJH and Acumen on the proprietary rights of the design of the street lighting poles and its accessories. The conclusion of the negotiations in June 2001 was that Acumen agreed to transfer the ownership of the design
B provided that Acumen is given an opportunity to directly supply the poles and its accessories at certain road packages in Precinct 2. It was further the evidence of DW1 that PJH would not enter into a contract with Acumen to supply the street lighting poles and its accessories in Putrajaya if the ownership of the design was
C not transferred to PJH for their absolute use.

[19] DW1 also testified that he did not recall Dato' Hashim asking him to take down the mock up streetlamps. DW1 further said that there was no reason to take down the mock up despite
D the alleged protests by Acumen as his understanding was that the rights and patent over the design belongs to PJH.

[20] DW3, the CEO of PJH said that PJH initially proposed to purchase just the design of the streetlights and the lanterns from Acumen. However purchasing the value of the design was just a
E small amount and Acumen wanted something substantial which is the contract with PJH to supply directly the streetlights and the accessories. DW3 said PJH agreed to award Acumen a direct contract for the installation of the Nyonya Baba street lights and its accessories for certain road packages at Precinct 2 and Acumen
F agreed to transfer all property rights over that design and drawings of the same to PJH.

[21] DW3 further said PJH agreed to such an arrangement because the rates for the supply of the streetlights quoted by
G Acumen included the value of the design. According to DW3, PJH therefore awarded Acumen the contract containing a standard term that the design belongs to PJH and that PJH would not have entered into the contract with Acumen, had they known that Acumen would still claim proprietary rights over the design.

H [22] On the allegation by Acumen that there was a verbal communication between Acumen and PJH that the assignment of industrial design is possible if Acumen is made the sole and exclusive supplier of streetlights in Precinct 2 and Acumen is
I invited to tender for street lighting contracts in Precincts 3, 4, 5,

6 and 18 at Putrajaya and all other street lighting contracts undertaken by PJH utilizing the N&B design, DW3 said that he was aware that there were some negotiations but he believed that all this was settled once PJH awarded Acumen what they have requested for, which is to directly supply streetlights for road packages at Precinct 2 and when Acumen signed the contract documents.

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[23] As for the mock up streetlamps, DW3 said it was installed after Acumen agreed that the design of the street lighting poles and its accessories belong to PJH and that Acumen shall have no claim against it. It was further the evidence of DW3 that in response to the claim of infringement made by Acumen, PJH wrote a letter dated 3 March 2004 denying any infringement and annexing a deed of assignment to be executed by Acumen in favour of PJH. When asked why was the deed of assignment forwarded to Acumen if the proprietary rights to the design of the street lights and accessories were transferred to PJH pursuant to the contract, DW3 said it was to ensure that Acumen abided by their obligations under the contract and to put an end to the allegation of infringement.

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[24] The other defendants did not call any witnesses.

Findings

[25] There are two aspects of infringement alleged by the plaintiffs. The first relates to the industrial design of Acumen's N&B streetlamps and the second was in respect of DW Windsor's copyright in Diamond Optic reflector system. For both infringements, the issue would be whether the intellectual property rights had been vested in PJH pursuant to the contract entered into between Acumen and PJH.

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Whether There Was An Infringement Of Acumen's Industrial Design

[26] Learned counsel for the respective defendants submitted that pursuant to the contract, PJH is the lawful owner of the industrial design. For the plaintiffs it was submitted that clause 33.2 of the contract only dealt with PJH's right to use the N&B streetlamps strictly for the supply and installation of the N&B streetlamps for Precinct 2 but not the transfer and assignment of intellectual property rights in the industrial design *per se*.

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- A [27] It is a cardinal rule of interpretation of documents that the intention of the parties must be gathered from the written instrument itself (see *Goh Gok Hoon v. Abdul Hamid & Anor* [1966] 1 LNS 52). Clause 33.2 of the contract read together with item
- B 2.0 of the Bill of Quantities provides that the drawings or design prepared or supplied by Acumen in connection with the works shall be the property of PJH. Clause 33 in my view is unambiguous. It intended to give the intellectual property rights in the design of the N&B streetlamps prepared by Acumen for the supply and installation of the streetlamps in Putrajaya to PJH.
- C Giving cl. 33 and item 2 the plain, natural and ordinary meaning leaves me with no other conclusion except that the drawings or design prepared by Acumen for the N&B streetlamps shall be the property of PJH.
- D [28] Further, the provisions in cl. 33.2 that “Any drawings ... shall be the property of the employer ... and shall not be re-used ... except upon the approval of the employer ...”, is in accord with the oral evidence of DW3 that “Putrajaya development was intended to be a new Capital development, the construction of
- E which every detail is to be unique and not found anywhere else”. Acumen certainly knew the fact that it is important for PJH to own the intellectual property rights. This could be seen from the testimony of PW2 who said “PJH have to ensure that all Putrajaya projects are completed and handed over to PJC free of
- F any encumbrances such as intellectual property infringement and other issues”. It therefore makes sense that Acumen had signed the contract incorporating the relevant clauses cited above. The issue on the intellectual property and the issue relating to the awarding of contracts to Acumen for the supply of streetlamps to
- G Precinct 2 East, Precincts 3, 4, 5, 6 and 18 had been put to rest by the contract.
- [29] The evidence of PW2 that there was never any question of Acumen giving up any rights over the industrial design of N&B streetlamps without any financial consideration for it and that the parties never got round to discussing a price with PJH’s management team contradicts the contract documents as the Preamble to the Bill of Quantities specifically states that the price and rates filled in the Bill of Quantities shall include the cost of design of the pole and the lantern. PW2’s evidence also
- H contradicts the testimony of PW8 who, when asked to clarify on the tendered price said that “It would be for the design.”
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[30] Further, *vide* a letter dated 10 August 2001 (exh. D34) Acumen had written to PJH explaining the price they quoted for the supply and installation of the street lighting pole and its accessories at Precinct 2. One of the reasons given on why the price was higher was “time and effort that we spent in developing the concept and design for this project”. Hence, as submitted by learned counsel for PJH, the consideration for the industrial design has been factored into the contract between Acumen and PJH and as per the evidence of DW3, Acumen was given direct contract in return for the design rights. And given the express provisions of the contract cited above, I must agree with learned counsel for the second defendant and the fourth defendant that extrinsic evidence to challenge the terms of the contract is excluded under ss. 91 and 92 of the Evidence Act (see *Faber Merlin (M) Sdn Bhd & Ors v. Lye Thai Sang & Anor* [1985] 1 LNS 44).

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[31] It was argued for the plaintiffs that PJH is estopped from raising the rule against parol evidence as PJH had continued to enter into negotiations and had meetings in 2003 with the representatives of Acumen despite the completion of the contract.

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[32] It must be noted that it was only in 2003 that the representatives of PJH were informed that Acumen had registered the three concepts of N&B streetlighting design and it was only in 2003 that complaints from Acumen arose in respect of the infringements and that Acumen was excluded from Precinct 2 East. It follows therefore that only then would meetings be held to address those complaints. Thus, based on the above, the fact that meetings were held after the contract was concluded could not be found against PJH.

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[33] For the defendants it was also submitted that Acumen having been commissioned by PJH for the supply and installation of the streetlamps, PJH shall be deemed to be the owner of the industrial design pursuant to s. 10(2) of the Industrial Designs Act 1996 (IDA) which provides that “Where an industrial design is created in pursuance of a commission for money or money’s worth, the person commissioning the industrial design shall, subject to any contrary agreement between the parties, be treated as the original owner of the industrial design.”

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- A [34] For the plaintiffs it was submitted that there must be a valid, written agreement signed by the parties and PJH must specifically ordered or commissioned the concept of work and the written agreement must state that the work or concept was made for this agreement. It was contended that in the instant case PJH is merely a user of the work or design owned by Acumen.

- B [35] Learned counsel for the plaintiff seem to have overlooked the fact that although it was Sabit Acla who was commissioned to design the streetlamps, Acumen had taken advantage of the impasse by forming the working team to come up with the N&B streetlamp. Acumen then presented the design which was approved by PJH and PJC and thereafter Acumen was given a direct contract for the supply and installation of the N&B streetlamps. From the evidence it is obvious to me that Acumen had designed the concept specifically for PJH, for the purposes which Sabit Acla was earlier on commissioned. I would therefore agree with the defendants that pursuant to s. 10(2) of the IDA, PJH is the owner of the industrial design of the N&B streetlamps.

- E [36] The plaintiffs contended that PJH had, through its former CEO, Dato' Hashim Hassan had admitted to the infringement and that Dato' Hashim Hassan had informed DW1 to bring it down. DW1's testimony is that he did not recall Dato' Hashim calling him in respect of the mock ups. In my view, the evidence of DW1 is more probable. If indeed Dato' Hashim as the CEO of PJH had given instructions to DW1 who was the General Manager to bring down the mock ups, it is inherently improbable that the instructions would not be carried out. The fact that the mock ups are left standing, in my view shows that there was never an admission of infringement nor was there any instruction for the mock up to be brought down.

- G [37] A point was raised on the registration of the Deed of Assignment. Learned counsel for the plaintiff submitted that s. 22(3) of IDA provides that the certificate of registration shall be *prima facie* evidence of the validity of the registration. For PJH it was argued that the certificate of registration of the assignment is impeachable as s. 25(1) of the IDA states that the registration of the industrial design shall be deemed to come into force on the filing date of the application for the registration of the industrial design and that the provision does not allow the Registrar to act

retrospectively. The same argument was advanced by learned counsel for the sixth defendant. It was contended that nothing in the IDA gives the Registrar the power or the right to back date an assignment. A

[38] The relevant provision in respect of this point is found in s. 30 of the IDA which provides: B

- (1) Where any person becomes entitled by an assignment or transmission or through other operation of law to a registered industrial design or to an application for the registration of an industrial design, he shall apply to the Registrar in the prescribed manner to have such assignment, transmission or other operation of law recorded in the Register. C
- (2) No assignment, transmission or other operation of law in respect of a registered industrial design shall have effect against third parties unless recorded in the Register. D

[39] To recap, the registration of the Deed of Assignment was filed by Acumen in June 2004 but the registration was backdated by the Registrar of the Industrial Design to 18 June 2001. This clearly runs foul of the above quoted section which does not provide for the registration to operate retrospectively (see *Elster Metering Ltd & Anor v. Premier Amalgamated Sdn Bhd* [2010] 2 CLJ 149; *Honda Giken Kogyo Kabushiki Kaisha v. Allied Pacific Motor (M) Sdn Bhd & Anor* [2005] 6 CLJ 174). I would in the circumstances agree with the defendants that the registration of the assignment is liable to be set aside. E F

Whether There Was An Infringement Of Copyright Of The Diamond Optic Reflector System

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[40] Insofar as DW Windsor's Diamond Optic reflector system is concerned, I accept that the drawings authored by an employee of DW Windsor constitute an artistic work as set out in s. 3 of the Copyright Act 1987. Be that as it may, the plaintiff has not discharged the burden to prove copying as no evidence was led on the similarities between DW Windsor's Diamond Optic reflector system and the lanterns installed by the defendants. In *Creative Technology Ltd v. Aztech Systems Pte Ltd* [1997] 1 SLR 621 it is stated at p. 634: H I

A The burden of proof does remain with the plaintiff in an infringement claim, to prove copying and access to his work, and, where there is sufficient resemblance shown between the two works, he will invite the court to draw an inference of copying.

B [41] Quite apart from that, as testified by PW6, Acumen is the sole agent for the supply of DW Windsor's Diamond Optic lanterns which incorporates the reflector system. PW6 had also given evidence that standard drawings of the Diamond Optic Reflector system were given to Acumen. Acumen had, when presenting the N&B design concept to PJH included the technical specification of the Diamond Optic lanterns produced by DW Windsor. PW6 also admitted that the lanterns seem to have been registered through the industrial design.

C [42] Section 36 of the Copyright Act provides:

D (1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.

E (2) Copyright is infringed by any person who, without the consent or licence of the owner of the copyright, imports an article into Malaysia for the purpose of:

F (a) selling, letting for hire, or by way of trade, offering or exposing for sale or hire, the article;

(b) distributing the article -

(i) for the purpose of trade; or

G (ii) for any other purpose to an extent that it will affect prejudicially the owner of the copyright; or

(c) by way of trade, exhibiting the article in public,

H where he knows or ought reasonably to know that the making of the article was carried out without the consent or licence of the owner of the copyright.

I [43] Acumen as an agent of DW Windsor, in my view, had handed over the rights of the lanterns by agreeing to enter into a contract with PJH. In the circumstances, even if the lanterns exhibited at Putrajaya featured DW Windsor's Diamond Optic

reflector system (of which there is no such evidence), it cannot be said that the lanterns were exhibited without the consent of DW Windsor. A

[44] Learned counsel for PJH and learned counsel for the fourth defendant had also submitted that under s. 7(6) of the Copyright Act 1987, the lantern is no longer eligible for copyright protection as it had been reproduced more than 50 times. B

[45] Section 7(6) provides:

Copyright in any design which is capable of being registered under any written law relating to industrial design, but which has not been so registered, shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright or, with his licence, by any other person. C D

[46] I am in agreement with learned counsel. There is evidence that the Diamond Optic reflector system has been made available to the public in England since 1991 and certainly Acumen had reproduced the Diamond Optic reflector system at Precinct 2 West and Road 6 Putrajaya. E

[47] Finally, with regards to s. 114(g) of Evidence Act 1950, learned counsel for the plaintiffs submitted that adverse inference ought to be made against the defendants for not calling witnesses. It is not the case here that the defendants are withholding or suppressing evidence. In any event, the burden is on the plaintiffs to prove their claim. Thus, the failure by the defendants to call a material witness would not raise an adverse presumption under s. 114(g) of the Evidence Act (see *Munusamy Vengadasalam v. Public Prosecutor* [1987] 1 CLJ 250; [1987] CLJ (Rep) 221 *Selvaduray v. Chinniah* [1939] 1 LNS 107). F G

[48] Looking at the evidence in totality, I find that the plaintiffs have failed to establish their case. The rights in the industrial design of the N&B streetlamps which includes DW Windsor's Diamond Optic reflector system had been vested in PJH. The plaintiffs' claim against all the defendants is dismissed with costs. As for PJH's counterclaim, it is premised on the terms agreed by way of the letter of award, Preamble to the Bill of Quantities, the Bill of Quantities and the Main Contract, all of which are H I

- A** undisputed contemporaneous documents. Given my finding that the rights in the industrial design vests in PJH, it follows that PJH is entitled to have the same assigned to it. The counterclaim is allowed as prayed with costs and with a consequential order that Acumen's Industrial Design Registration MY 01-00304 be declared
- B** null and void and unenforceable and be cancelled.

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